

MINUTES
State Allocation Board
January 24, 2007

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 4202 of the State Capitol in Sacramento, California on January 24, 2007 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance
- Rob Cook, Deputy Director, Interagency Support Division, Department of General Services, designated alternate for Will Bush, Interim Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Alan Lowenthal
- Senator Jack Scott
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller
- Assembly Member Lois Wolk

Representatives of the State Allocation Board (SAB) were as follows:

Luisa M. Park, Executive Officer
Mavonne Garrity, Assistant Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Luisa M. Park, Executive Officer
Lori Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Garry Ness, Assistant Chief Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 4:07 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the December 6, 2006 and January 10, 2007 SAB meetings.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board that the unfunded modernization projects were being presented for funding approval in the consent portion of this Agenda as a result of the passage of Proposition 1D. Assembly Bill 127 did not provide a provision for Labor Compliance Program (LCP) funding; therefore, these approvals do not include an LCP grant. Should future legislation require school districts to have a LCP, these projects would be eligible to receive the LCP funding. However, new construction projects being funded from Propositions 47 and 55 will continue to receive the LCP grant. Additionally, it was mentioned that the grant increases (seven percent for elementary and middle schools and four percent for high schools) for new construction projects, which also resulted from the passage of Proposition 1D, were included in the consent portion of this Agenda.

The Board was also informed that a new law, Assembly Bill 1302 (J. Horton), which became effective January 1, 2007, changes the circumstances under which the Office of Administrative Law (OAL) approves regulations on an emergency basis. The justification of any emergency regulation will be more closely scrutinized and requests for the emergency based on convenience, general public need, or expediency will not, by itself, be sufficient to file regulations on an emergency basis. As a result, the Modernization Accessibility Requirements, School Facility Program Joint-Use gymnasium at a K-8 school, and AB 127 regulations for Charter Schools, High Performance, and Small High School will be submitted to the OAL for approval on a non-emergency basis.

The Executive Officer announced that the OPSC received an award from the State Controller's Office for Excellence in Financial Reporting. The OPSC has received this award every year since 2000.

Lastly, the Executive Officer stated that the Governor issued Executive Order S-02-07, which outlines the criteria regarding bond accountability and a process that governs the expenditures of the bond funds. It was also stated that the OPSC is already in alignment with the majority of the requirements in the Executive Order.

CONSENT ITEMS

In considering this item, the Board approved the consent calendar as presented with the exception of pages 84 and 85, Simi Valley Unified School District that requested to withdraw their two modernization projects. In addition, Ms. Kathleen Moore abstained from voting on the Elk Grove Unified School District agenda items but voted on all others.

FINANCIAL REPORTS***Status of Funds***

The Board accepted the Status of Funds report as presented.

Annual Adjustment to School Facility Program Grants

In considering this item, the Board approved the staff's recommendation.

SPECIAL CONSENT ITEMS***Santa Ana Unified/Orange 50/66670-00-008***

In considering this item, the Board approved the staff's recommendations.

Exeter Union High/Tulare 58/71928-00-001

This item was withdrawn.

Sausalito Marin City/Marin 51/65474-00-001

In considering this item, the Board approved the staff's recommendations.

Sequoia Union High/San Mateo 51/69062-00-001

In considering this item, the Board approved the staff's recommendations.

Deferred Maintenance Program Extreme Hardship Project Time Extension

In considering this item, the Board approved the staff's recommendation.

SPECIALS/APPEALS***Needles Unified/San Bernardino 51/67801-00-001 and 57/67801-00-000***

Senator Roy Ashburn and Mr. Dave Rehnquist, Superintendent of the Needles Unified School District, addressed the Board regarding requests for financial hardship status on a facility hardship new construction project and two modernization projects. The Board approved the financial hardship request for the new construction project (New Parker Dam Elementary School). The Board did not approve the financial hardship status for the two modernization projects (Vista Colorado Elementary and Needles Junior High Schools) and requested the District to explore other options to fund those two projects.

Davis Joint Unified/Yolo 50/72678-00-006

Senator Mike Machado, Mr. Ernie Silva, representing Murdoch, Walrath & Holmes, Mr. Jim Provenza, President of the Davis Joint Unified School District Board, and Mr. David Murphy, District Superintendent, addressed the Board concerning funding reimbursement for a previously revoked ineligible funding application. The Board directed its legal counsel to obtain an informal legal opinion from the Attorney General regarding Regulation Section 1859.70.2 and to report back to the Board the results of that request. The Board indicated that the item would be presented at a future SAB meeting.

Charter School Facilities Program Agreements

In considering this item, the Board approved the staff's recommendations with the provision that the agreements may be modified as discussed in "Staff Comments" of the report.

REGULATIONS***Assembly Bill 127 Amendments to Program Regulations***

Mr. Michael Rickets, representing the County Superintendent of Schools and their association, and Ms. Anna Ferrera, representing County School Facilities Consortia, addressed the Board regarding the Career Technical Education Facilities Program (CTEFP) regulations. Mr. Chris Walker, representing employer groups, an education group, and several trade associations, addressed the Board in support of the CTEFP regulations and thanked staff for “striking the right balance” in bringing this issue to fruition. In considering this item, the Board approved the staff’s recommendations. The Board also thanked the California Department of Education (CDE) for its assistance in the development of the CTEFP.

Assembly Bill 607 Amendments to Emergency Repair Program Regulations

Ms. Susan Stuart, representing the Stockton Unified School District, and Mr. Terry Zinger, representing Golden State Facility Services, addressed the Board regarding consultant fees. The Board approved the staff’s recommendations with the exception of Regulation Section 1859.323.2(j). The Board requested that applications with requests for administrative fees not be presented for approval until the issue regarding the fees is brought back to the Board for discussion.

Updates to the Interim Evaluation Instrument

In considering this item, the Board approved the staff’s recommendation.

INFORMATION/REFERENCE***SAB Meeting Dates for the Calendar Year 2007******School Facility Program Workload List - Applications Received Through January 10, 2007******Facility Hardship/Rehabilitation Approvals Without Funding List as of December 6, 2006*****MISCELLANEOUS**

Mr. Ken Shelton, Assistant Superintendent of Business at the Los Angeles County Office of Education, addressed the Board regarding the Repayment Schedule regulations which are currently in effect. The Board directed staff to revisit the issue and report back at a future SAB meeting.

Since this was her last meeting, the Executive Officer, Ms. Luisa Park, thanked the Board, its legal counsel, Mr. Garry Ness, and the Department of General Services for their support over the years. On behalf of the staff of the OPSC, Ms. Kathy Hicks, Chief of Program Services, paid tribute to Luisa by addressing the Board and the audience on her many accomplishments and attributes. Ms. Kathleen Moore, on behalf of the Superintendent of Public Instruction, also paid tribute to Luisa by presenting her with a Certificate of Recognition that commended her ability to bring about positive change while facing many challenging issues.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 6:40 p.m.

LORI L. MORGAN, Acting Executive Officer